

1 UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF NORTH CAROLINA
3

5 United States of America,

6 Plaintiff,

NO. 2:10-CR-8-FL

7 v.

ARRAIGNMENT, PLEA AND SENTENCE

8 Gary Jackson ,
9 William Mathews, Jr., and
Ronald Slezak ,

RALEIGH, NORTH CAROLINA
February 21, 2013

10 Defendants.

11 *CORRECTED*

12 VERBATIM REPORT OF PROCEEDINGS
13 BEFORE THE HONORABLE LOUISE W. FLANAGAN
UNITED STATES DISTRICT JUDGE

14

15 APPEARANCES:

16 For the Plaintiff:

17 John S. Bowler
Eric D. Goulian
18 Assistant United States Attorneys
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19 Raleigh, NC 27601

20 For Defendant Gary Jackson:

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4 For Defendant William Wheeler Mathews, Jr.:

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14 For U.S. Probation:

15 John Wasco

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20 Reported by: Denae Hovland, RPR, RMR, CRR
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23
24 Proceedings recorded by mechanical stenography, transcript
25 produced by Reporter on computer.

1 THE COURT: Good afternoon.

2 MR. BOWLER: Good afternoon, Your Honor.

3 THE COURT: Would the clerk call the case, and then
4 starting first with the defendants, we'll invite counsel to make
5 their showing on the record and that of their client. Ms. Tripp?

6 THE CLERK: The court calls the following cases for
7 arraignment and change of plea hearing. United States of America
8 vs. Gary Jackson.

9 THE COURT: Is Mr. Jackson here?

10 MR. BELL: He is, Your Honor. He's seated next to me,
11 Kenneth Bell, on behalf of Mr. Jackson, along with Les Bowers and
12 Darren Stanhouse.

13 THE COURT: Very good. Good afternoon.

14 THE CLERK: United States of America vs. William
15 Wheeler Mathews, Jr.

16 MR. SWEENEY: Jim Sweeney for Mr. Mathews, Your Honor,
17 and he's present.

18 THE COURT: All right. Thank you.

19 THE CLERK: United States of America vs. Ronald Slezak.

20 THE COURT: Is there any showing on behalf of
21 Mr. Slezak? Mr. Bowler?

22 MR. BELL: Your Honor, yesterday I spoke with
23 Mr. Slezak's attorney, Brian Whisler, and he did intend to be
24 here. I think he thought, as did we, frankly, that it was at
25 2:00 o'clock. That's what we had been told.

1 THE COURT: Well, let's take up in his absence the case
2 of Mr. Slezak, at least to establish the procedural posture. I
3 have an unsigned and undated motion to dismiss that comes to me
4 by courtesy of the government through the case manager to alert
5 the court as to the sudden change in the posture of this case. I
6 assume there is a motion concerning Mr. Slezak?

7 MR. BOWLER: Your Honor, I should start with a
8 foundational matter. We believe we're required to inform the
9 court that the plea offers in this case were co-dependent, in the
10 vernacular wired. The offer was to a group, that everyone takes
11 it or no one gets it, essentially. That was modified as the
12 negotiations went along, but we did offer as part of the plea to
13 these two individuals to dismiss against Mr. Slezak should both
14 of them accept the plea offers. So our anticipation was to enter
15 those pleas and then we would follow through with our motion to
16 dismiss.

17 THE COURT: Well, I'm curious, was there any reach in
18 these negotiations to the defendants that I dismissed as to the
19 bringing of any claims in the future against them?

20 MR. BOWLER: No, there is -- well, there were
21 discussions in that regard, Your Honor, but there is no
22 contractual arrangements between those parties and the government
23 at this time.

24 THE COURT: Okay. So you have reached a plea
25 agreement, Mr. Bell, concerning Mr. Jackson?

1 MR. BELL: Yes, Your Honor, we've agreed to plead
2 guilty to a criminal information, which I assume hasn't been
3 filed yet, to the misdemeanor charge under 922(m) of Title 18.

4 THE COURT: I have reviewed that in the form that it
5 was put forward for the court's information.

6 And on behalf of Mr. Mathews?

7 MR. SWEENEY: Yes, Your Honor, also under 922(m).

8 THE COURT: It's identical, isn't it --

9 MR. SWEENEY: Yes, ma'am.

10 THE COURT: -- with respect to references to what
11 counts would be dismissed, reflecting the different counts?

12 MR. SWEENEY: That's correct, Your Honor.

13 THE COURT: Okay. Would Mr. Jackson and Mr. Mathews
14 please stand and raise your right hand?

15 GARY JACKSON, having been duly affirmed, testified as follows:
16 WILLIAM WHEELER MATHEWS, JR., having been duly affirmed,
17 testified as follows:

18 THE COURT: The court must make certain that the
19 defendants understand the rights that they have, including the
20 right, among other things, to a trial, to be represented by an
21 attorney at every course of this proceeding, to call witnesses
22 and to present evidence.

23 The court must also assure that the defendants understand
24 the nature of the charges that you face, the possible punishment,
25 and moreover that no one, if it is your intention to plead guilty

1 to the crime as charged in the information, that no one has
2 threatened or forced you to do that or made any promises other
3 than what's presented in the plea agreement and to the court.

4 So going forward, I would take note first and foremost that
5 you previously were the subject of a fairly complex indictment
6 charging you with a number of felonies. The court has considered
7 some five motions to dismiss fairly recently and in each of your
8 cases made certain decisions, among other things, as to the
9 nature of certain crimes, that they are in fact misdemeanors and
10 not felonies, and otherwise the ruling is the best reference for
11 the decisions the court has made.

12 What I understand now is the government would dismiss all of
13 the remaining charges against you if the court does accept a plea
14 of guilty to the criminal information, which is a separate
15 misdemeanor charge.

16 You have a number of rights. You're accused in an
17 information and you've got a right to have your case considered
18 by a grand jury. At this point in time no grand jury has
19 indicted you as to this offense. If you do agree for the cases
20 against you to proceed pursuant to an information, you would
21 waive any rights that you have with respect to consideration of
22 this charge by a grand jury if appropriate.

23 Now, the constitution and laws give you the right to be
24 tried by a jury, and at a jury trial you would be, as you are
25 now, presumed innocent. The burden is on the shoulders of the

1 government still to prove you guilty beyond a reasonable doubt.
2 The government may do this by bringing witnesses into this room
3 who would testify from the witness stand, and you or your
4 attorney would have the right to ask those people questions, as
5 you've also got the right to exercise something called subpoena
6 powers to bring people into this room to testify for your
7 defense. You've got the right, gentlemen, to take the witness
8 stand if you were to choose to do so. You don't have to. You
9 have the right, and it's been explained carefully to you a number
10 of times, to remain silent. Nobody can make you say anything.

11 If you do decide to speak, whatever you say may be used
12 against you. If you decided not to testify, if the case were to
13 proceed before a jury, at the appropriate time or times I will
14 tell the jury no inference of your guilt is allowed to be drawn
15 from your decision to remain silent.

16 Now, by pleading guilty, you would waive your right to a
17 trial by jury and all rights associated with a jury trial. You
18 would waive your right not to incriminate yourself because I am
19 going to ask you questions about what you did in order to make
20 certain that you're guilty as charged, and you may lose very
21 valuable civil rights.

22 There are a number of penalties that might apply in your
23 case. I'll speak about them more particularly, but generally you
24 may be ordered to make restitution. I believe the plea
25 agreement, however, Mr. Bowler, refers to no restitution being

1 expected.

2 MR. BOWLER: It does expressly state that, Your Honor.

3 THE COURT: There is a \$25 special assessment given the
4 nature of the crime at issue. The court may impose a fine if
5 you're found able to pay, and your failure if so found not to
6 pay -- or your failure to pay could subject you to certain
7 further penalties.

8 You may be given a term of supervision upon release from
9 imprisonment and if you were to violate that, that could cause
10 you to go back to prison to serve an additional prison term.

11 You will be sentenced under the Sentencing Reform Act of
12 1984. I believe the guidelines do apply to the extent that these
13 are Class A misdemeanors.

14 Mr. Wasco, is that your belief as well?

15 MR. WASCO: Yes, Your Honor.

16 THE COURT: And the court must determine the advice of
17 the guidelines and consider that advice, including any upward or
18 downward departure before turning to 18 United States Code,
19 Section 3553. That sets forth a number of factors that the court
20 is required to consider, among them, the nature of the offense or
21 offenses at issue, the defendant's background and history, the
22 need for the sentence to promote respect for the law, to
23 discourage this type of conduct, to protect the public and to
24 provide any needed treatment or education. The court's
25 requirement is to fashion a sentence that's sufficient, but not

1 greater than necessary.

2 And I took note in the plea agreement, Mr. Bowler, that
3 you're not going to be making any recommendation as to the
4 sentence?

5 MR. BOWLER: The government has agreed to remain
6 silent.

7 THE COURT: Okay. Now, under some circumstances you or
8 the government may have the right to appeal the sentence, but I
9 did take note that there were a number of appeal waivers in this
10 plea agreement, and I'll question you more particularly about
11 your understanding of that agreement in a moment. I have to look
12 very carefully at it to make sure that it complies with the
13 purposes of sentencing, and I'll discuss that more particularly,
14 and I'll discuss sentencing a little bit more particularly in a
15 moment.

16 Now, I'm assuming, counsel, your clients want to waive this
17 indictment, proceed on this information and go forward along
18 those lines. Is that correct?

19 MR. BELL: Yes, Your Honor.

20 MR. SWEENEY: Yes, Your Honor.

21 THE COURT: Okay. Now, gentlemen, if you would stand
22 up, Mr. Jackson and Mr. Mathews, I'll turn first to you
23 Mr. Jackson and ask you, what is your full name?

24 DEFENDANT JACKSON: My name is Gary Charles Jackson.

25 THE COURT: And how far did you go in school?

1 DEFENDANT JACKSON: Some college.

2 THE COURT: All right. I have demonstrated a
3 familiarity with your employment history as a result of
4 consideration of the discovery issues and the motions that have
5 been pending. Have you been treated recently by a doctor or a
6 psychiatrist for any kind of problem?

7 DEFENDANT JACKSON: No, ma'am. No, Your Honor.

8 THE COURT: Have you taken any medicine or drunk any
9 alcohol in the last 24 hours?

10 DEFENDANT JACKSON: No, Your Honor.

11 THE COURT: All right. How about you, Mr. Mathews,
12 what's your full name?

13 DEFENDANT MATHEWS, JR.: William Wheeler Matthews, Jr.

14 THE COURT: How far did you go in school?

15 DEFENDANT MATHEWS, JR.: I completed a graduate
16 education.

17 THE COURT: I have the same familiarity to the extent
18 of your background and history with respect to Blackwater and Xe.
19 I would ask you, have you been treated recently by a doctor or
20 psychiatrist for any kind of problem?

21 DEFENDANT MATHEWS, JR.: No, Your Honor.

22 THE COURT: Have you taken any medicine or drunk any
23 alcohol in the last 24 hours?

24 DEFENDANT MATHEWS, JR.: No, Your Honor.

25 THE COURT: I'll ask your lawyer, have you had any

1 trouble communicating with your client or understanding his
2 remarks to you?

3 MR. SWEENEY: No, Your Honor.

4 THE COURT: And I'd ask you, Mr. Bell, or any of the
5 other lawyers standing next to your client, have you had any
6 trouble communicating with Mr. Jackson?

7 MR. BELL: No, Your Honor.

8 THE COURT: Mr. Bowler, do you have any reason to doubt
9 the competency of either Mr. Jackson or Mr. Mathews to proceed
10 here?

11 MR. BOWLER: No, Your Honor.

12 THE COURT: I have no reason to doubt your competency.
13 I find the record should reflect that you're both capable and
14 competent to enter into this proceeding. This plea will go
15 forward on that basis.

16 Gentlemen, have you each been provided with a copy of the
17 information?

18 Mr. Jackson, what is your answer to that?

19 DEFENDANT JACKSON: Yes, Your Honor.

20 THE COURT: And Mr. Mathews, what's your answer to
21 that?

22 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

23 THE COURT: As you both know, it's charged that on or
24 about sometime between 2005 and 2007 in this district, being an
25 employee of a corporate entity which was a licensed federal

1 firearms manufacturer and dealer with certain defined
2 responsibilities, including in record keeping, that you failed to
3 keep accurate records, you failed to maintain them or cause them
4 to be made and maintained, specifying the actual location where
5 firearms were stored or kept on the Blackwater and Xe premises,
6 specifically the place of business shown on the corporate
7 entities special occupational tax stamp and failed to make and
8 maintain, or cause to be made and maintained required records
9 with respect to registration of certain firearms. Such failure
10 to maintain records included a number of short-barreled rifles
11 manufactured by Blackwater and/or Xe and that you aided and
12 abetted others in so doing, in violation of 18 United States
13 Code, Sections 922(m), 923(g)(1)(A) and 2 and Title 27 of the
14 Code of Federal Regulations.

15 I haven't read this word-for-word but I have hewed fairly
16 closely to the information. Do you want me to go back and
17 re-read it in its entirety or do you believe that you understand
18 the nature of the charge you face, Mr. Jackson?

19 DEFENDANT JACKSON: Yes, ma'am, I understand, Your
20 Honor.

21 THE COURT: Okay. Mr. Mathews, I'd be happy to re-read
22 it for you or answer any questions. I just want to make sure, do
23 you understand the nature of the charge that you're proposing to
24 plead guilty to?

25 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

1 THE COURT: All right. And you've discussed before
2 today this proceeding on the information with your attorney;
3 correct, Mr. Mathews?

4 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

5 THE COURT: And Mr. Jackson, correct?

6 DEFENDANT JACKSON: Yes, Your Honor.

7 THE COURT: Now, have you had enough time, Mr. Jackson,
8 to discuss your case with your many attorneys?

9 DEFENDANT JACKSON: Yes, Your Honor.

10 THE COURT: Mr. Mathews, have you had enough time to
11 discuss your case with your attorney?

12 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

13 THE COURT: Are you satisfied with counsel's services
14 to you, Mr. Mathews?

15 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

16 THE COURT: And Mr. Jackson, are you satisfied?

17 DEFENDANT JACKSON: Yes, Your Honor.

18 THE COURT: All right. Gentlemen, did you hear my
19 explanation of the rights that you have? Mr. Jackson, did you?

20 DEFENDANT JACKSON: Yes, Your Honor.

21 THE COURT: Any questions about any of them?

22 DEFENDANT JACKSON: No, Your Honor.

23 THE COURT: Mr. Mathews, how about you?

24 DEFENDANT MATHEWS, JR.: I understood them, Your Honor.

25 THE COURT: Any questions?

1 DEFENDANT MATHEWS, JR.: No, Your Honor.

2 THE COURT: All right. Finally, again, I turn to you
3 both and say, do you fully understand what you're charged with?
4 Mr. Mathews?

5 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

6 THE COURT: And how do you wish to plead?

7 DEFENDANT MATHEWS, JR.: Guilty.

8 THE COURT: Mr. Jackson, do you fully understand the
9 charge set forth in the criminal information?

10 DEFENDANT JACKSON: Yes, Your Honor.

11 THE COURT: How do you wish to plead?

12 DEFENDANT JACKSON: Guilty.

13 THE COURT: Now, I will tell you the penalties that
14 apply are the same in each of your cases. The maximum term of
15 imprisonment is one year. The maximum term of supervised release
16 is one year. The maximum term of imprisonment upon revocation of
17 supervised release is one year. The maximum fine is a hundred
18 thousand dollars. I made mention of restitution. It is not
19 understood to be at issue in this case, however. I also made
20 mention of a special assessment. That's a \$25 special
21 assessment.

22 Mr. Jackson, do you have any questions about the penalties
23 that I've described?

24 DEFENDANT JACKSON: No, Your Honor.

25 THE COURT: Mr. Mathews, do you?

1 DEFENDANT MATHEWS, JR.: No, Your Honor.

2 THE COURT: Gentlemen, do you understand if you violate
3 a term or condition of supervised release, that could cause you
4 to go back to prison and serve a prison term? Mr. Mathews?

5 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

6 THE COURT: Mr. Jackson?

7 DEFENDANT JACKSON: Yes, Your Honor.

8 THE COURT: Now, I'd like to put the cart a little bit
9 before the horse in terms of sentencing. Mr. Bowler, I have a
10 lot of knowledge of the circumstances underlying the offense
11 conduct here again by virtue of the length of this litigation,
12 the discovery issues that have been raised, the motions that have
13 been filed. I know about the defendants' professional background
14 and history as relates to the corporation, though certainly that
15 doesn't foreclose further argument in this proceeding.

16 I know neither one of you presents a scorable criminal
17 history as reported to me by the probation office. I have some
18 other information in the form of a report that provides the court
19 some information about the financial condition of each defendant,
20 physical condition, mental condition, substance abuse issues, if
21 any.

22 Is this a case where I need a presentence report to go
23 forward in sentencing?

24 MR. BOWLER: Your Honor, the government had anticipated
25 the court would want one, but the government will not oppose or

1 object if the court feels content that it has enough information
2 to proceed today and wishes to do so.

3 THE COURT: Well, do you think I do?

4 MR. BOWLER: I suspect given the history of this case
5 you do, Your Honor.

6 THE COURT: Okay. Mr. Bell, will Mr. Jackson, if I do
7 accept his guilty plea, be prepared to go forward in sentencing
8 today?

9 MR. BELL: I believe so, Your Honor, unless there is
10 some dispute about the sentencing guideline range, but in general
11 we'd be willing to go forward with that.

12 THE COURT: We can take it as it comes. And for you,
13 sir?

14 MR. SWEENEY: Your Honor, we would be willing to waive
15 the PSR as well. As Mr. Bell indicated, we thought we were going
16 to start at 2:00 o'clock, and maybe if we had five or ten minutes
17 to confer, that would be appreciated.

18 MR. BOWLER: Your Honor, I relayed that. It's my
19 recollection of what the court's instructions were, but if I'm
20 mistaken, I apologize.

21 THE COURT: Well, it was always my intention to go
22 forward at 1:30, but certainly I think a break is an appropriate
23 thing and it might be helpful to the government as well.

24 Now, I need to explain to you a little bit about the
25 sentencing process and I must determine what the advice is of the

1 sentencing guidelines. We'll hear a little bit more from the
2 government at the appropriate time as to your proffer, what you
3 would say you would be prepared to prove, and perhaps we can hear
4 from Mr. Wasco at the appropriate time in development of the
5 probation office's understanding. Obviously, you cannot be
6 sentenced to more than 12 months by statute.

7 All right. Now, Mr. Jackson, do you have any questions
8 about the sentencing process at this point? And I'll certainly
9 give you the chance as this case goes forward at hearing today to
10 raise some, but now do you have any questions?

11 DEFENDANT JACKSON: No, Your Honor.

12 THE COURT: Mr. Mathews?

13 DEFENDANT MATHEWS, JR.: No, Your Honor.

14 THE COURT: So there is a plea agreement, and I have
15 again an unsigned draft -- or not draft but -- Ms. Tripp, tell me
16 what your record reflects now in terms of a signed document.

17 THE CLERK: I do not have those in my possession yet,
18 Judge.

19 THE COURT: So who has the plea agreements?

20 MR. BOWLER: May I approach, Your Honor?

21 THE COURT: Certainly.

22 MR. BOWLER: Your Honor, I have the signed versions of
23 Mr. Jackson's document. Mr. Sweeney, our anticipation was to
24 sign them today, and perhaps I set off the time schedule by
25 telling them to be here at 1:30 to do that.

1 THE COURT: Does he want to sign them now?
2 Mr. Friedrich's signature line is not completed. I don't know if
3 that raises any issue because counsel for defendant, Mr. Bell,
4 has signed the plea agreement.

5 MR. BELL: And Mr. Friedrich is unavailable to be here
6 today, Your Honor.

7 THE COURT: Do you want to sign for him?

8 MR. BELL: If the court wants me to, I will.

9 THE COURT: I don't care.

10 MR. BELL: Any deficiency in his signature is waived,
11 Your Honor.

12 THE COURT: Okay. Did you need more time, Mr. Sweeney?

13 MR. SWEENEY: I'd like it, Your Honor.

14 THE COURT: Because you've not had a chance to sit down
15 and go over those with --

16 MR. SWEENEY: Well, again, I think we'll be ready to go
17 in ten minutes, Your Honor.

18 MR. BOWLER: What happened is, my secretary and my
19 paralegal caught some format changes and they are just trying to
20 assure themselves there was no substantive changes.

21 THE COURT: All right. Mr. Bell, come forward and take
22 this. I don't know if you want the same time. Gentlemen, we'll
23 call a halt in this for -- how much time do you want,
24 Mr. Sweeney?

25 MR. SWEENEY: Ten minutes would be fine, Your Honor.

THE COURT: Why don't we do this. Why don't we take a 20-minute break and you can think a little bit more about the sentencing process with benefit of Mr. Wasco. Do you have anything you think would be helpful to note in determining the advice of the guidelines in this case?

MR. WASCO: Your Honor, I would like to discuss what I believe the guideline calculations would be with counsel.

THE COURT: Okay. That's another reason to build in a generous -- how much time do you want?

MR. WASCO: I think 15, 20 minutes, Your Honor.

THE COURT: Let's take a full 30-minute recess and start back at 2:20.

(Whereupon, a recess was taken.)

(Brian Whisler, Pat Woodard and Eric Goulian have joined the proceedings.)

THE COURT: So I've been presented with a signed plea agreement, Mr. Sweeney, on behalf of your client.

MR. SWEENEY: Yes, ma'am.

THE COURT: And does the clerk have the one I sent back to Mr. Bell for Mr. Jackson?

MR. BELL: No, I've still got it, Your Honor.

THE COURT: All right. Mr. Sweeney, the clerk has kindly brought to my attention the thought that perhaps we need to clarify how many "t's" are in Mr. Mathews' surname.

MR. SWEENEY: Single "t," Your Honor.

1 THE COURT: Single "t." All right. So you would wish
2 to note that on the plea agreement. I think the judgment,
3 though, will be framed from the information and that's -- is that
4 correct, the criminal information has just one "t"?

5 MR. SWEENEY: Yes.

6 THE COURT: Okay. We left in these proceedings to give
7 the defendants an opportunity to meet with the probation officer
8 and discuss more particularly the advice of the guidelines,
9 together with you, Mr. Bowler, and I assume, Mr. Goulian, you
10 were there as well?

11 MR. GOULIAN: Yes, Your Honor.

12 THE COURT: Also, Mr. Sweeney, you wanted more time to
13 read the plea agreement. Have you had enough time now to review
14 it to discuss its contents with Mr. Mathews?

15 MR. SWEENEY: Yes, Your Honor, thank you.

16 THE COURT: You've had enough time, Mr. Bell, to talk
17 to your client about this plea agreement?

18 MR. BELL: Yes, Your Honor.

19 THE COURT: All right. Now, Mr. Mathews and
20 Mr. Jackson, before we broke for a moment, I had confirmed a lot
21 of rights that you have. I had discussed the sentencing process.
22 You had confirmed you're satisfied with your attorney's
23 representation, that you understood the charges that you face,
24 the possible punishment, and each of you tendered to the court a
25 guilty plea as to the criminal information.

1 Now I turn your attention to the plea agreement and I would
2 ask you, Mr. Jackson, have you had enough time to review it and
3 to talk with Mr. Bell and your other attorneys to be ready for
4 sentencing today?

5 DEFENDANT JACKSON: Yes, Your Honor.

6 THE COURT: And to go forward, more particularly, on it
7 because first I have to decide if this accomplishes the purposes
8 of sentencing.

9 Mr. Mathews, have you had enough time to review the plea
10 agreement?

11 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

12 THE COURT: There were a lot of complicated words and
13 phrases in it. Did you understand all of the words and phrases
14 that make up this plea agreement before you signed it?

15 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

16 THE COURT: Among other things, there are waivers in it
17 of your rights to appeal. Do you understand these waivers when
18 challenged by other defendants generally have been found
19 enforceable?

20 DEFENDANT MATHEWS, JR.: I do, Your Honor.

21 THE COURT: Did anybody make any other promises to you
22 other than what's in this plea agreement? And I note
23 Mr. Bowler's oral tender to the courtroom that this is a
24 consolidated offer that the government has made and it is
25 conditioned on both defendants accepting the terms offered. And

1 on that basis you would then turn ultimately and dismiss Ronald
2 Slezak from this case?

3 MR. BOWLER: That's correct, Your Honor.

4 THE COURT: So I don't believe the particulars of that
5 are memorialized in the plea agreement, but they are noted on the
6 record. Are there any other promises or agreements or
7 understandings not heretofore considered either today in court or
8 in the form of this plea agreement that have caused you to enter
9 into this plea?

10 DEFENDANT MATHEWS, JR.: No, Your Honor.

11 THE COURT: Have you done this today knowingly,
12 voluntarily, understanding the consequences of your plea?

13 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

14 THE COURT: So no one has threatened you, forced you or
15 coerced you into coming into the courtroom today and signing this
16 agreement?

17 DEFENDANT MATHEWS, JR.: No, Your Honor.

18 THE COURT: All right. You can be seated, Mr. Mathews.

19 Mr. Jackson, I think you can anticipate the questions that
20 I'll be asking you. Did you have enough time again to review
21 this with Mr. Bell and the other attorneys before signing it?

22 DEFENDANT JACKSON: Yes, Your Honor.

23 THE COURT: There are a lot of complicated words and
24 phrases in this plea agreement, including but not limited to ones
25 that refer to appellate waivers. Did you understand all of the

1 words and phrases before you signed this plea agreement?

2 DEFENDANT JACKSON: Yes, Your Honor.

3 THE COURT: Are there any other promises that have been
4 made to you in an effort to cause you to come to court today and
5 at this stage of the litigation very suddenly decide that you
6 wish to plead guilty?

7 DEFENDANT JACKSON: No, Your Honor.

8 THE COURT: Has anybody forced you or threatened you
9 into doing this?

10 DEFENDANT JACKSON: No, Your Honor.

11 THE COURT: Have you done this knowingly and
12 voluntarily, fully understanding the consequences of a guilty
13 plea?

14 DEFENDANT JACKSON: I have, Your Honor.

15 THE COURT: All right. You can be seated.

16 Now, you can withdraw your plea of guilty before I accept
17 it, gentlemen, for any reason or for no reason at all, but once I
18 finally -- if I do accept it, you can't withdraw it. Do each of
19 you understand that?

20 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

21 DEFENDANT JACKSON: Yes, Your Honor.

22 THE COURT: All right. I tell you now, parole has been
23 abolished. Defendants don't get out early on parole. Do you
24 have any questions about that, Mr. Jackson?

25 DEFENDANT JACKSON: No, Your Honor.

1 THE COURT: Mr. Mathews?

2 DEFENDANT MATHEWS, JR.: No, Your Honor.

3 THE COURT: All right. Well, you can still withdraw
4 your plea. The burden is still on the shoulders of the
5 government to prove you guilty beyond a reasonable doubt. You
6 still have the right to a trial, to assistance of counsel at
7 every turn, to persist in your not guilty plea. You don't have
8 to prove anything. The burden is entirely shouldered by the
9 government to prove the defendant guilty beyond a reasonable
10 doubt. But if I accept your guilty plea, there is not going to
11 be a trial of any kind. Do you understand what I just said,
12 Mr. Jackson?

13 DEFENDANT JACKSON: Yes, Your Honor, I do.

14 THE COURT: Do you understand what I just said,
15 Mr. Mathews?

16 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

17 THE COURT: Have you been truthful, gentlemen, in all
18 of your answers to all of the court's questions?

19 DEFENDANT JACKSON: Yes, Your Honor.

20 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

21 THE COURT: Is there any other information or advice
22 that you want? We did break for a fairly lengthy period, longer
23 than 30 minutes. If you want the opportunity to break again, if
24 you have any questions of your attorneys, now is the time to tell
25 me.

1 DEFENDANT JACKSON: No, Your Honor.

2 DEFENDANT MATHEWS, JR.: No, Your Honor.

3 THE COURT: Now, I turn back to the plea agreement to
4 note on the record, again there are three elements the government
5 would be required to prove beyond a reasonable doubt in order to
6 sustain a conviction upon the charged offense of failing to
7 maintain records relating to firearms.

8 First, that in or about 2005 through 2007 in this district,
9 that you did knowingly fail to adequately supervise others to
10 make or maintain, or cause others to do so, records required by
11 law that were, thirdly, relative to firearms, specifically to the
12 short-barreled firearms.

13 Who will be making the proffer on behalf of the government?

14 MR. BOWLER: I will.

15 THE COURT: All right. What would the government be
16 prepared to prove if the case went to trial against Mr. Mathews,
17 Mr. Jackson?

18 MR. BOWLER: Your Honor, the government is aware the
19 court is immersed in this case probably more than most and
20 probably knows much of what I will say, but for the purposes of
21 the record, we would anticipate being able to prove --

22 THE COURT: Why don't you pull that microphone just a
23 little closer so we can all hear you.

24 MR. BOWLER: The government would anticipate proving,
25 being able to prove, Your Honor, that it grows out of the two

1 defendants' employment by a corporate entity formally known as
2 Blackwater. It's had various names over the ensuing years, Xe,
3 and it has a new name now. Mr. Jackson was the president of that
4 corporation during the charge time frame, 2005 to 2007. Mr.
5 Mathews was the executive vice-president.

6 The business of Blackwater during that time frame, which
7 I'll bring up just briefly for the factual background for the
8 proof in the charges, Your Honor, is that they were in the
9 business of providing training. They were located -- training
10 both in -- principally in firearms and also in other security and
11 defense-related tactics and skills. They have a large facility
12 in Moyock, North Carolina, which is in the Eastern District of
13 North Carolina.

14 In addition to Mr. Mathews and Mr. Jackson, there were
15 several other officers, as have come to the court's attention in
16 the course of the case, but perhaps worth noting is that they
17 were a discrete group. It was -- especially when it was growing,
18 the company, prior to its becoming as large as eventually it did.
19 It was a very discrete group of officers located principally in
20 Moyock, offices principally down the hall from one another for
21 the most part.

22 The ability to lawfully possess and use firearms in their
23 training and what grew into security missions overseas and became
24 large multi-million dollar contracts, integral to that business
25 model was the ability to lawfully purchase and dispose of and

1 employ firearms. They became as a result of that, and were
2 throughout the charge time frame, what are referred to as FFLs,
3 federally licensed firearms dealers.

4 The law -- and there are assorted provisions that apply and
5 filter through the charged sections, the sections listed in the
6 criminal information -- requires that all FFLs make and maintain
7 extensive documentation as to their handling of firearms. Now,
8 "handling," by that I mean their acquisition of them and their
9 disposition of them. In fact, one of the chief records that they
10 are required to make is an acquisition and disposition book
11 which, if properly kept, shows all the firearms that have come
12 into their possession and where they went. The law provides that
13 the Bureau of Alcohol, Tobacco and Firearms has a lawful right to
14 go into their facilities at virtually any time and inspect those
15 documents.

16 I mention all that, Your Honor, because it was integral to
17 the business model that was being conducted there. And the two
18 defendants were senior, in the case of Mr. Jackson, president of
19 that corporate entity. Mr. Mathews held the title of executive
20 vice-president. They were not the ones actually who were
21 supposed to be filling out this acquisition and disposition, but
22 they were responsible for the supervision of that by other lower
23 employees and they were responsible for the corporation filling
24 that vital mission, and it was a mission, as we keep trying to
25 hit, that was core to their business operation.

1 The weapons at issue were also, at least at some point,
2 stored in an armory maintained properly by Blackwater at the
3 Moyock facility not far from the offices of the officers. During
4 the charged time frame -- and it occurred over a period of time,
5 not all of it within it; some of it starts before -- Blackwater
6 lawfully began manufacturing short-barreled rifles.

7 Essentially, just for the court's understanding, the process
8 was purchasing shorter barrels and taking off the normal barrels
9 off M4s, which were at the time semi-automatic Bushmaster rifles,
10 and replacing them with short barrels. They went through that
11 process as to a substantial number of SBRs at the Moyock facility
12 and failed to keep or cause to be kept the records which should
13 have been created relative to that, were required by law. We
14 think that both defendants are responsible for that failure to
15 supervise and cause those records to be maintained.

16 THE COURT: And the government's information recites an
17 issue as to location as well, and that's folded into your proffer
18 right now as part of the record keeping?

19 MR. BOWLER: Yes, Your Honor.

20 THE COURT: Okay. And the other aspect of the record
21 keeping is related to the numbers of the SBRs or --

22 MR. BOWLER: This acquisition and disposition book, the
23 government believes and the defendants are now not contesting,
24 should have covered the creation, the existence of these weapons
25 after they were manufactured there and did not.

1 THE COURT: So a complete failure to refer to them?

2 MR. BOWLER: In the record keeping. Now, in fairness
3 to the defendants, Your Honor, I want to be clear. They were
4 producing these weapons for use on contracts providing security
5 for government forces and enterprises overseas. To the
6 government's knowledge, they had no illegal intent in the use or
7 sale of the weapons, and they were subsequently used in
8 protective details that were contracts with the United States
9 government, and so they were employed with the knowledge of the
10 United States government. The issue arises from the record
11 keeping relative to those.

12 THE COURT: Well, should the records have reflected
13 where the weapons were overseas?

14 MR. BOWLER: We think they should have reflected their
15 creation, that they were possessing them at least for a period of
16 time at the armory there at Moyock, and then when they were
17 shipped or transported should have -- and turned over, if that
18 was their theory to the government, it should have reflected
19 that.

20 THE COURT: And how many weapons do you believe were at
21 issue?

22 MR. BOWLER: The evidence included the purchase by
23 Blackwater of in excess of 200 short barrels. Some of those may
24 have been purchased as replacements for defective barrels,
25 barrels that became worn, but our information would be that some

1 approximately 200 were manufactured by them. Now, some portion
2 of those may have been manufactured overseas, but a substantial,
3 we believe, my understanding is the bulk of those were
4 manufactured at Moyock.

5 THE COURT: Okay. All right. Thank you. Well,
6 Mr. Mathews, are you guilty of the offense charged in the
7 criminal information alleging that on or about or between 2005
8 and 2007 in this district and elsewhere, that you, being an
9 employee of a licensed federal firearms manufacturing dealer with
10 the responsibilities as set forth therein, did knowingly fail to
11 maintain or make these appropriate and required records?

12 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

13 THE COURT: Did you commit the crime charged?

14 DEFENDANT MATHEWS, JR.: Yes, Your Honor.

15 THE COURT: And, Mr. Jackson, I ask you the same
16 question.

17 DEFENDANT JACKSON: Yes, Your Honor.

18 THE COURT: Are you guilty of the crime charged in the
19 criminal information?

20 DEFENDANT JACKSON: Yes, Your Honor.

21 THE COURT: All right. I'm satisfied with the
22 responses given here today by both of you. You understand what
23 you're pleading to. You understand the consequences of your
24 guilty plea. You've come into the courtroom today knowingly,
25 voluntarily. Nobody has promised or threatened you, and

1 moreover, there is a factual basis to support your plea of guilty
2 to the misdemeanor crime charged. So for these reasons, I'll
3 accept your guilty plea and enter judgment on it. And the
4 government is prepared to proceed now, as the defendants are, to
5 sentencing?

6 MR. BELL: We are, Your Honor, on behalf of
7 Mr. Jackson.

8 MR. SWEENEY: Yes, Your Honor.

9 MR. BOWLER: Yes, Your Honor.

10 THE COURT: Okay. Did anyone need a further break?

11 MR. BELL: No, Your Honor.

12 THE COURT: Well, I accept the plea agreements. I
13 believe they accomplish in this case under the circumstances
14 presented the purposes of sentencing, and the government stands
15 ready to dismiss the indictment returned against these
16 defendants.

17 And going forward, you've had the opportunity to talk with
18 Mr. Wasco and to review with the probation officer the United
19 States guidelines, and I must make findings as to what the advice
20 of the guidelines is, but I'm not bound by that advice. I need
21 not assume it even reasonable. The court goes forward in
22 sentencing after considering the advice and reflects on the
23 factors in 18 United States Code, Section 3553.

24 First, turning everyone's attention to the advice of the
25 guidelines, it would appear that we should all look at 2K2.1 and

1 I believe turn our attention to Section 8 of 2K2.1(a) and reflect
2 on a six-point enhancement. Also, with regard for comparison
3 purposes to 2K1.6, I do think an 18-level enhancement if the
4 offense involved a firearm under the unique circumstances here
5 would not be appropriate. I think a six-point enhancement is.

6 Does the government wish to be heard on that?

7 MR. BOWLER: No, Your Honor, not under --

8 THE COURT: Not enhancement.

9 MR. BOWLER: Calculation.

10 THE COURT: Yes.

11 MR. BOWLER: No. Under all the -- as the court knows,
12 there are layers of facts and nuance and gray areas in this case
13 in the evidence and developments. Under these circumstances
14 we're not opposed to that calculation, and also tied to the
15 circumstances of this plea, Your Honor.

16 THE COURT: Well, the court has considered much with
17 respect to its duties under CIPA, and certainly I am informed by
18 that aspect of this proceeding and I think, Mr. Bowler, you very
19 gently touched on it to the extent of your comments as to where
20 these weapons went and the uses that were made of them, so I do
21 think that informs the advice of the guidelines as it further
22 distinguishes when an 18-level, base offense level would be
23 appropriate.

24 Do you want to be heard on that, Mr. Bell?

25 MR. BELL: No, Your Honor. We would agree with the

1 base offense level of six.

2 THE COURT: And Mr. Sweeney?

3 MR. SWEENEY: We agree with six as well, Your Honor.

4 THE COURT: And I'm not seeing any enhancements. Are
5 you, Mr. Wasco?

6 MR. WASCO: No, Your Honor, I do not believe there are
7 any specific offense characteristic enhancements.

8 THE COURT: And the defendants have accepted
9 responsibility and, therefore, would appear to be entitled to a
10 two-point reduction. Do you agree?

11 MR. BOWLER: Yes, Your Honor.

12 THE COURT: And so that would, with respect to a
13 criminal history of one and a base offense level of four, cause
14 the court to determine the advice of the guidelines with a
15 sentence of zero to six months, and the defendants are in Zone A.

16 Mr. Bell, do you want to be heard on that?

17 MR. BELL: Yes, Your Honor, thank you. I would by way
18 of argument supplement the factual basis of the government just
19 to this extent, that the lawfully manufactured SBRs, that the
20 record keeping violations of the entity and those subordinate to
21 Mr. Jackson was made that much more difficult because of some of
22 the facts that have been alluded to here. It was almost a catch
23 22 because of the uses of those weapons and for whom you buy
them, at whose request and that sort of thing, so while trying to
24 maintain records in a way that the ATF would have liked to have

1 had them maintained, while maintaining the securties required
2 under classified contracts, made it very difficult for the
3 subordinates of Mr. Jackson and Mr. Mathews, and I'd ask the
4 court to take that as additional facts into consideration for
5 sentencing.

6 I know the court knows a lot about this case and
7 Mr. Jackson. I don't want to belabor. I would ask the court to
8 take into account a couple of things, though, particularly
9 Mr. Jackson's 23-year career as a U.S. Navy SEAL, and we've all
10 come to know what that involves in sacrifice to self, family and
11 all for country. I've come to know a few SEALs through this case
12 and they are all just staggeringly impressive and, of course, we
13 owe them all a great debt of gratitude for what they've done,
14 Mr. Jackson as much as any.

15 He continued to serve his country at Blackwater. They've
16 written books on how the anti-terrorism war and the actions in
17 Afghanistan and Iraq could not have happened as successfully as
18 they did without Blackwater. The government believed that,
19 because they were using them extensively for all manner of
20 projects, both classified and unclassified. And Blackwater
21 particularly was, during the time Mr. Jackson was president,
22 engaged to provide protective services to many senior U.S.
23 government officials, and in contradiction to some other
24 protection contracts, Blackwater never lost a single protectee
25 that they were assigned to protect on the order of the U.S.

1 government. I think that speaks a great deal for Mr. Jackson's
2 leadership of an invaluable service to the U.S. government.

3 I would also ask the court to take into consideration that
4 Mr. Jackson has been under indictment for originally 13 felony
5 counts now for almost three years and under investigation for
6 more years before that. I've known Mr. Jackson now about five or
7 six years while we've wrestled through all of this, and that's not
8 been an easy time for him. From the initial appearance forward,
9 he's contested his guilt, declared his innocence on what he was
10 initially charged for. He's been laboring under that indictment
11 now, as I said, for almost three years now, and that's a
12 punishment in and of itself.

13 With the guideline range being zero to six months, we would
14 ask the court to sentence within that range, and probation is
15 entirely appropriate here. I don't think he even needs
16 supervision. He's been under unsupervised release for the last
17 three years, no offenses, no reason to think that this great
18 American would be any bother to the court again.

19 THE COURT: All right. Thank you. Mr. Jackson, is
20 there anything you would like to add on your behalf?

21 DEFENDANT JACKSON: Your Honor, I appreciate all the
22 work that has been done on my behalf and I still appreciate the
23 government's work on their behalf and still believe this is the
24 best justice system in the world. Thank you.

25 THE COURT: All right. Thank you. And Mr. Sweeney for

1 Mr. Mathews?

2 MR. SWEENEY: Thank you, Your Honor. First of all I'd
3 like to echo and then add to some of the comments of Mr. Bell.
4 Just with respect to the factual basis, I'd also add in addition
5 to his points that as you well know throughout this case, the
6 numbers of those weapons have been in dispute as well, so -- and
7 Mr. Bowler kind of alluded to that somewhat, so I hope you take
8 that into account.

9 I'd also like to talk about Mr. Mathews on three levels.
10 Again, you're well steeped in this case, but as a person, just to
11 let you know that, one, he's a father of three children that
12 depend on him. They are young children, in their teens -- or
13 preteen years. He's got a wife as well, and he's also taking
14 care of his father who is ailing and, in fact, that's been part
15 of the last three years that Mr. Bell referred to that has been
16 very hard on Mr. Mathews. Yet he has stuck to all of the
17 conditions of his pretrial release, as well as taking care of his
18 father and his family.

19 As a person, he's always been about patriotism in this
20 country, Your Honor. As he mentioned to you, he had a graduate
21 degree which was actually in law, but instead of going into the
22 practice of law, he decided to become a Navy SEAL, spent five
23 years on active duty as a SEAL and then went into the reserves.

24 After 9-11, I guess he felt the same thing that a lot of us
25 felt, which was rage and such. He actually left his law office

1 at that time. He had left the Navy, was in the reserve, left his
2 law office at that time, went down to the treadmill in his suit
3 and tie and his good shoes and got on the treadmill and ran the
4 rest of that day until his feet were bloody, getting ready to go
5 back and take the fight to the enemy.

6 So when he was asked to then come -- leave that profession
7 and go to again protecting his country, in this case with
8 Blackwater, he jumped at that choice, Your Honor. And as
9 Mr. Bell mentioned, they were all about not just training local
10 and federal officials in the practice of law and with respect to
11 law enforcement, but also to protecting our nation's diplomats,
12 and to include the ambassador, and as Mr. Bell said, they didn't
13 lose a single person, yet at the same time they had to bear the
14 loss of their own. In addition, during the time, the supervisory
15 time that we talked about, Katrina happened and Mr. Mathews was
16 in charge of that, and so he went to New Orleans to lead security
17 forces there, again protecting our country and our way of life.

18 During these last three years -- one other thing, Your
19 Honor. In order to take that job at Blackwater, he had to give
20 up his job as a Navy SEAL in the reserves, so a total of 13 years
21 there, but then he moved on to serving the country in a different
22 fashion.

23 With respect to these last three years, in addition to
24 abiding by the conditions of release, he's been very active.
25 That's the type of guy he is. As you well know, Your Honor, he's

1 taken two trips to Haiti to help rebuild that country. Just
2 recently he did a kayak trip all the way down to the east coast
3 to help a charity, and he's active in his church, and so we think
4 that certainly the last three years have been plenty of
5 punishment and that you would take that into account, Your Honor.

6 THE COURT: All right. Thank you. Mr. Mathews, is
7 there anything you would like to say?

8 DEFENDANT MATHEWS, JR.: Your Honor, I know Mr. Jackson
9 and I would have done anything to defend our country. We did our
10 best. We apologize that mistakes were made, but they were
11 unintentional, and I regret any mistakes that were made, but they
12 were made with the best of intentions.

13 THE COURT: Did the government, recognizing aspects of
14 the plea agreement, did the government wish to be heard further
15 at this time?

16 MR. BOWLER: No. Thank you, Your Honor.

17 THE COURT: Well, I've considered the advice of the
18 guidelines specifically and generally in this case and the
19 factors set forth in 18 United States Code, Section 3553,
20 including the need for the sentence to reflect the circumstances
21 of the offense and the defendant's history and characteristics,
22 also the need to discourage this type of offense, and there is an
23 intersect with the case involving the corporation that plays a
24 part in this, too. There is a need to promote respect for the
25 law.

1 All things being considered, I believe a sentence of
2 probation accomplishes the purposes of sentencing to the extent
3 that the court will incorporate a four-month term as to each
4 defendant of house arrest during this period of three years of
5 probation, during which the defendants' movements will be
6 required to be preapproved by the probation office. Certainly
7 for purposes of charity, religious worship, work, health, legal
8 issues, family obligations, those movements are to be encouraged
9 to be continued to be maintained, but this contact with the
10 probation office with respect to schedules I think is a punitive
11 one in this case and sufficiently punitive within the context of
12 a three-year term of probation during which the defendants will
13 not break any law, federal, state or local and will comply with
14 the court's standard conditions. There is no need for drug
15 testing in this case.

16 I do believe there is a need for a fine and I do believe
17 based on the showing and the information I have that each of you
18 can pay a fine of \$5,000, and I do require that during the term
19 of probation, and the probation officer -- would you wish to make
20 a recommendation as to any schedule for that?

21 MR. WASCO: I'm sorry, schedule as to?

22 THE COURT: Fine. The fine is due immediately.

23 MR. WASCO: If they are not able to pay immediately,
24 our office during their period of probation will work with them
25 to establish a schedule.

1 THE COURT: All right. I'll leave the probation office
2 that amount of discretion. From the probation office, any
3 further recommendations relative to sentencing law?

4 MR. WASCO: Your Honor, just first a special
5 assessment.

6 THE COURT: Twenty-five dollars in each case.

7 MR. WASCO: And, Your Honor, just to complete the
8 record for the fines, the guideline range of zero to six months,
9 up to three years probation, five years by statute, the guideline
10 fine range is 250 to \$5,000. Thank you, Your Honor.

11 THE COURT: Thank you very much. On behalf of
12 Mr. Jackson, are there any matters that haven't been already
13 considered that you wish to note for the record or raise an
14 objection as to the sentence?

15 MR. BELL: No, Your Honor.

16 THE COURT: And on behalf of Mr. Mathews with respect
17 to him?

18 MR. SWEENEY: No, Your Honor. Thank you.

19 THE COURT: Thank you, Mr. Sweeney. And Mr. Bowler,
20 anything for the government?

21 MR. BOWLER: No. Thank you, Your Honor.

22 THE COURT: And the government now dismisses the
23 indictment against these defendants and would wish to be heard on
24 the motion, and I believe Mr. Slezak's attorney is here.

25 MR. WHISLER: Correct, Your Honor.

1 THE COURT: And Mr. Slezak as well?

2 MR. WOODARD: He is not. We'd ask that you waive his
3 appearance.

4 THE COURT: All right. You may come forward.

5 MR. WOODARD: Thank you, Your Honor, Pat Woodard for
6 Mr. Slezak.

7 MR. WHISLER: Brian Whisler, Your Honor.

8 THE COURT: All right. Thank you, gentlemen.

9 MR. BOWLER: Your Honor, with the court's permission I
10 have a written, signed motion to dismiss and a proposed dismissal
11 order.

12 THE COURT: All right. And the court has heard briefly
13 concerning the basis for this motion to dismiss. Does the
14 defendant wish to be heard further?

15 MR. WOODARD: No objection, Your Honor.

16 THE COURT: All right. This motion is allowed.

17 MR. WHISLER: Thank you, Your Honor.

18 THE COURT: The court has signed the proposed dismissal
19 order and I believe this fully and finally takes care of this
20 case. Are there any matters that haven't been considered that
21 bear upon these defendants or any issue appropriate to being
22 considered in this forum?

23 MR. BOWLER: Not relative to these defendants, Your
24 Honor.

25 THE COURT: Okay.

1 MR. SWEENEY: No, Your Honor.

2 MR. BELL: No, Your Honor.

3 THE COURT: We'll stand in recess.

4 (Proceedings ended.)

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1 CERTIFICATE
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78 I, Denae L. Hovland, Official Court Reporter, do hereby
9 certify that the foregoing transcript is true and correct.10
11 /S/Denae L. Hovland12 Denae L. Hovland

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